



# BROWNFIELDS CASE STUDY

Wisconsin Department of Natural Resources

PUB # RR-587

June 1998

## Former Monarch Range Site Redeveloped

The former Malleable Iron Range Company (MIRC), which manufactured the well-known Monarch Ranges, was the initial center-piece of Beaver Dam's development. The industry, which occupied approximately 13.5 acres in the heart of downtown, was the "life blood" of the small city for almost a century. After MIRC declared bankruptcy and abandoned the site, the property remained vacant for nearly 10 years. The buildings steadily deteriorated, became an "eyesore," and posed a potential threat to public health and safety.

The previously abandoned and contaminated property now is remediated and divided into individual parcels. Some of the property has been restored to commercial use, while other portions are available for sale. Partnerships between the public and private sector were critical to the success of this redevelopment effort.

### Background

At its peak in the mid-1950s, Monarch Range provided more than 1200 jobs to residents of Beaver Dam. In 1985, the MIR Company filed for bankruptcy and sold all of the assets, except for the land and buildings, to the Monarch Appliance and Fabricating Co. (MAFCO). MAFCO soon relocated to another city.

The Department of Natural

Resources (DNR) inspected the property and discovered numerous hazardous waste violations. Under pressure from the DNR to remove wastes from the site, Malleable contributed \$50,000 for cleanup. The remainder of MIRC's assets were tied up in bankruptcy proceedings.

Sixty-five thousand gallons of dangerous materials remained at the site, including 500 barrels of toxic and hazardous waste and unidentified substances. In 1987, the DNR requested the assistance of the US Environmental Protection Agency (EPA). The EPA spent \$369,000 on an Emergency Removal Action to clean up known hazardous wastes.

In 1988, Dodge County acquired the property in lieu of delinquent property taxes. Further investigation revealed asbestos pipe insulation in the building and soil and groundwater contamination from underground petroleum and chemical storage tanks.

### Fire

Experts considered the buildings to be an extreme fire hazard for years, but demolition of the building was delayed due to insufficient County funds. Beaver Dam's fire chief held fire fighting drills at the site to prepare for a potential emergency. In 1990, catastrophe struck when a trespasser set fire to the property. Fire fighters feared

the blaze would sweep through the building and melt roofing materials and tar, creating flowing "rivers of fire" and an oil run-off that would clog the city's sewer system. When a portion of the dilapidated, "C-shaped" building was razed to create a fire break, the building began to crumble in both directions. Officials quickly decided to demolish the entire industrial complex.

### Cleanup

After the charred debris of the buildings was removed, the County began remediation activities, including excavating, treating, and disposing of petroleum contaminated soil, conducting groundwater extraction and treatment systems, and implementing sparging systems. Contaminated soil was removed from several concentrated areas and bioremediated to eliminate the absorbed fuel oils. Numerous pipes and wells were installed to vacuum diesel fuel and gasoline vapors, and groundwater wells were established to remove contaminated water. Continual monitoring is being performed to detect if groundwater concentrations increase.

### Redevelopment

The Hoffman Corporation, a local developer, initiated the redevelopment process by negotiating a development contract with the County. The company listened to community

## 2 Brownfield Case Study

residents and researched market needs to create a Master Site Plan for mixed-use development. A grocery store is now the “cornerstone” of the development and a small strip mall, containing a video store and a pharmacy, occupies an adjacent parcel. Future prospects for the remaining portions of the property include a financial institution, commercial outlet stores, duplexes, and multi-family residential units.

## Public/Private Partnerships

The success of the redevelopment efforts at the former Monarch Range site is due to a team of partners who helped move the property through the process in a timely fashion:

**The DNR** worked closely with the County and their environmental consulting firm to help identify problems and create a remediation strategy. The DNR also committed \$200,000 from the *Environmental Fund* to pay a portion of the cost of remedial actions.

**The EPA** performed an *Emergency Removal Action* to remove hazardous wastes.

**Dodge County** committed nearly \$2 million to raze the building, to retain environmental engineers (jointly with the City) and to remove petroleum contaminated soils and non-petroleum products from the groundwater. The County also absorbed \$150,000 owed in back taxes and paid the taxes owed to the City and the School District.

**The City of Beaver Dam**, through the creation of a *Tax Incremental Financing District (TIF)*, spent nearly \$1 million on infrastructure improvement projects.

**Hoffman Corporation** coordinated meetings between interested parties, explored funding sources, and addressed concerns of local residents. The company continues to solicit and respond to inquiries to purchase portions of the property.

**Mid-State Associates, Inc. (MSA)** created the TIF district, helped with

grant applications and administration, and provided surveying, engineering planning and design work and construction inspection for projects.

**The Department of Commerce** administered over \$1 million in *PECFA* funding to the County and a \$350,000 *Community Development Block Grant* to the City.

**The Department of Transportation** handled negotiations with 50 property owners to grant the abandonment of an on-site railroad.

**An environmental attorney** provided critical guidance for the County and helped procure funds.

**Fluid Management** prepared the environmental site assessment.

**Rechek's Food Mart, Inc.** took the initial risk to build on the property.

**Nash Finch Co.**, a food wholesaler, approved the funding for Rechek's Food Mart.

## Benefits of Redevelopment

- The removal of severe contamination mitigated *environmental hazards* and eliminated *public health threats*.
- The property is no longer a *safety threat* or a *public eyesore*.
- *Nuisance activity* was eliminated.
- *Prime real estate* has been recovered for development.
- Neighborhood *property values* have been enhanced.
- New development has created *local jobs*.
- The property has been returned to the *tax rolls* and currently generates nearly \$67,000 in annual tax revenues.

## Public Programs

**The Environmental Fund** of the DNR provides capital to conduct investigations and remedial actions at contaminated sites that pose a potential significant threat to public health or the environment when the responsible party is unidentified or unable to conduct the necessary action.

**The Emergency Removal Action**, part of the EPA's Emergency Response Program, involves the immediate

removal of hazardous substances that pose a serious potential threat to environmental and human health.

**Tax Incremental Financing (TIF)** provides a city or village with funds needed to undertake tasks, such as public improvements, land assembly, site preparation, and environmental remediation in areas that are blighted, in need of rehabilitation or conservation, or in areas suitable for industrial development.

**Petroleum Environmental Cleanup Fund Act (PECFA)**, under the Department of Commerce, allocates reimbursement funds for the cleanup of petroleum-related contamination.

**Community Development Block Grant**, allocated by the Department of Commerce provides funding to communities for infrastructure and economic development activities that assist low-to-moderate income individuals.

## LGU (Local Governmental Unit) Liability Exemption

Even though the LGU exemption did not exist when Dodge County acquired the former Monarch Range site, LGUs are now automatically exempt from liability under Wisconsin's Hazardous Substance Discharge Law (Spill Law) and the US EPA Superfund laws when an LGU acquires the property through condemnation, tax delinquency or bankruptcy proceedings, or slum or blight clearance authorities. These exemptions increase an LGU's incentive to redevelop and “broker” brownfield properties to prospective purchasers. A local governmental unit means any city, town, village, county, county utility district, town sanitary district, public inland lake protection and rehabilitation district, metropolitan sewage district, certain types of redevelopment authorities, certain types of public bodies designated by a municipality, or a housing authority.

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